



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE
TECHNICAL INFORMATION MEMORANDUM 89-2

December 29, 1989

SUBJECT: REPORTING REQUIREMENTS FOR VENDING AND AMUSEMENT MACHINE OPERATORS

I. INTRODUCTION:

Senate Bill 55, approved June 27, 1989, amended Section 2304(b), Chapter 23, Title 30, Delaware Code to establish new reporting requirements for non-cigarette vending and amusement machine operators. Section 5309(b), Chapter 53, Title 30, Delaware Code currently establishes reporting requirements for cigarette vending machines. This Technical Information Memorandum constitutes the Division of Revenue's Regulations with regard to all vending and amusement machine owner reporting requirements. These regulations are promulgated pursuant to 30 Del. C. §2103(b).

II. EXISTING REQUIREMENTS:

- A. Owners of amusement machines are required to pay a license fee at the rate of \$75.00 for each machine so owned and operated; provided the coin or token necessary to operate such machine is worth 5¢ or more; and to affix to each machine a decalcomania stamp provided by the Division of Revenue to evidence payment of the license fee.
- B. Every coin operated vending machine in this State, other than amusement machines, or cigarette machines, shall have affixed thereto an identifying stamp or decal issued by the Division of Revenue upon payment of a fee of \$3.00 for each machine; provided, that the coin required to operate such machine is valued at 5 cents or more.
- C. Every vending machine from which cigarettes are offered for sale shall have affixed thereto an identification stamp issued by the Division of Revenue, for which a fee of \$3.00 shall be charged. Where two or more tobacco product vending machines are fastened together, each set of mechanisms shall require a separate vending machine license.
- D. Every owner of a coin operated vending machine in this State, including amusement machines, music machines, cigarette vending machines, and all merchandising machines regardless of the product dispensed shall affix thereto a label (not less than 2 inches in area) identifying the owner of the machine and his address.

III. SUMMARY OF CHANGES:

The amendments to Section 2304(b), Chapter 23, Title 30, Delaware Code as apply to non-cigarette vending machines and amusement machines are outlined below:

- A. Whoever being the owner of a vending machine requiring an identifying label fails to affix to each such machine the required identifying label or who, on written request of the Director of Revenue or his designee, fails to disclose within a reasonable time (not to exceed 120 hours) the present location of any and all such machines (including amusement machines and music machines) to the Division of Revenue shall be fined not less than \$25.00, nor more than \$50.00 for each machine not having the identifying label affixed thereto or whose location is not disclosed in accordance with this subsection.
- B. A fine of not less than \$50.00 or more than \$100.00 for each machine shall be applicable whenever an owner fails both to affix the identifying label to, and disclose the present location of a machine in accordance with the requirements of this section.
- C. For purposes of this subsection, failure to disclose in response to a subsequent request which is substantially identical to a request issued less than sixty days earlier shall be considered to be a continuation of the earlier failure to disclose and shall not constitute a separate act for purposes of this subsection.
- D. The Superior Court in and for the county in which the machine is located or in which the Division of Revenue maintains its principal office shall have exclusive original jurisdiction over offenses described in this subsection.

IV. REPORTS REQUIRED:

- A. Initial Reports
All initial applications for a State of Delaware business license submitted by owners of cigarette vending, non-cigarette vending and amusement machines must be accompanied by Division of Revenue Form 5004 reflecting the number, type, and location of the vending and amusement machines to be operated within this State. NOTE: Senate Bill 55 provides for the proration of decals for newly licensed amusement machines.
- B. Annual Reports:
On or before the 1st day of May of each calendar year, the owner of vending and amusement machines will forward to the Division of Revenue by submission of Form 5004 a report reflecting the number, type, and location of all vending and amusement machines in operation within Delaware as of April 15th of that calendar year.
- C. Interim Reports:
Owners of vending and amusement machines will, within 5 days from the date of occurrence, advise the Division of Revenue by submission of Form 5004 of any additions or deletions to previously reported inventories to include number, type and location where the changes occurred.

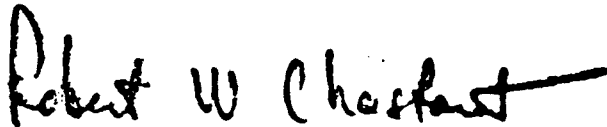
V. PRIMARY OFFICE:

The Special Investigations Bureau, Division of Revenue is designated as the responsible agency for receipt of reports established by this memorandum. All correspondence to that office should be addressed as follows:

DELAWARE DIVISION OF REVENUE
SPECIAL INVESTIGATIONS BUREAU
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801

VI. EFFECTIVE DATE:

The new reporting requirements established by this Technical Information Memorandum are effective May 1, 1990.

A handwritten signature in black ink, reading "Robert W Chastant" with a long horizontal stroke at the end.

Robert W. Chastant
Director of Revenue

Name _____

Address _____

Federal E.I.# of SS# _____

Form 5004